



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB5821

Introduced 8/8/2006, by Rep. William B. Black - Terry R. Parke
- Patricia R. Bellock

SYNOPSIS AS INTRODUCED:

35 ILCS 505/2	from Ch. 120, par. 418
35 ILCS 505/2a	from Ch. 120, par. 418a
35 ILCS 505/13a	from Ch. 120, par. 429a

Amends the Motor Fuel Tax Law. Provides that taxes are not imposed under the Act for the 30-day period beginning on the 7th day after the effective date of this amendatory Act. Effective immediately.

LRB094 21279 BDD 59615 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Motor Fuel Tax Law is amended by changing
5 Sections 2, 2a, and 13a as follows:

6 (35 ILCS 505/2) (from Ch. 120, par. 418)

7 Sec. 2. Tax on the operation of motor vehicles and
8 watercraft; exceptions. A tax is imposed on the privilege of
9 operating motor vehicles upon the public highways and
10 recreational-type watercraft upon the waters of this State.

11 (a) Prior to August 1, 1989, the tax is imposed at the rate
12 of 13 cents per gallon on all motor fuel used in motor vehicles
13 operating on the public highways and recreational type
14 watercraft operating upon the waters of this State. Beginning
15 on August 1, 1989 and until January 1, 1990, the rate of the
16 tax imposed in this paragraph shall be 16 cents per gallon.
17 Beginning January 1, 1990, the rate of tax imposed in this
18 paragraph shall be 19 cents per gallon.

19 (b) The tax on the privilege of operating motor vehicles
20 which use diesel fuel shall be the rate according to paragraph
21 (a) plus an additional 2 1/2 cents per gallon. "Diesel fuel" is
22 defined as any product intended for use or offered for sale as
23 a fuel for engines in which the fuel is injected into the
24 combustion chamber and ignited by pressure without electric
25 spark.

26 (c) A tax is imposed upon the privilege of engaging in the
27 business of selling motor fuel as a retailer or reseller on all
28 motor fuel used in motor vehicles operating on the public
29 highways and recreational type watercraft operating upon the
30 waters of this State: (1) at the rate of 3 cents per gallon on
31 motor fuel owned or possessed by such retailer or reseller at
32 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents per

1 gallon on motor fuel owned or possessed by such retailer or
2 reseller at 12:01 A.M. on January 1, 1990.

3 Retailers and resellers who are subject to this additional
4 tax shall be required to inventory such motor fuel and pay this
5 additional tax in a manner prescribed by the Department of
6 Revenue.

7 The tax imposed in this paragraph (c) shall be in addition
8 to all other taxes imposed by the State of Illinois or any unit
9 of local government in this State.

10 (d) Except as provided in Section 2a, the collection of a
11 tax based on gallonage of gasoline used for the propulsion of
12 any aircraft is prohibited on and after October 1, 1979.

13 (e) The collection of a tax, based on gallonage of all
14 products commonly or commercially known or sold as 1-K
15 kerosene, regardless of its classification or uses, is
16 prohibited (i) on and after July 1, 1992 until December 31,
17 1999, except when the 1-K kerosene is either: (1) delivered
18 into bulk storage facilities of a bulk user, or (2) delivered
19 directly into the fuel supply tanks of motor vehicles and (ii)
20 on and after January 1, 2000. Beginning on January 1, 2000, the
21 collection of a tax, based on gallonage of all products
22 commonly or commercially known or sold as 1-K kerosene,
23 regardless of its classification or uses, is prohibited except
24 when the 1-K kerosene is delivered directly into a storage tank
25 that is located at a facility that has withdrawal facilities
26 that are readily accessible to and are capable of dispensing
27 1-K kerosene into the fuel supply tanks of motor vehicles.

28 Any person who sells or uses 1-K kerosene for use in motor
29 vehicles upon which the tax imposed by this Law has not been
30 paid shall be liable for any tax due on the sales or use of 1-K
31 kerosene.

32 (f) No tax is imposed under this Section for the 30-day
33 period beginning on the 7th day after the effective date of
34 this amendatory Act of the 94th General Assembly.

35 (Source: P.A. 93-17, eff. 6-11-03.)

1 (35 ILCS 505/2a) (from Ch. 120, par. 418a)

2 Sec. 2a. Tax on receivers of fuel for sale or use. Except
3 as hereinafter provided, on and after January 1, 1990 and
4 before January 1, 2013, a tax of three-tenths of a cent per
5 gallon is imposed upon the privilege of being a receiver in
6 this State of fuel for sale or use.

7 The tax shall be paid by the receiver in this State who
8 first sells or uses fuel. In the case of a sale, the tax shall
9 be stated as a separate item on the invoice.

10 No tax is imposed under this Section for the 30-day period
11 beginning on the 7th day after the effective date of this
12 amendatory Act of the 94th General Assembly.

13 For the purpose of the tax imposed by this Section, being a
14 receiver of "motor fuel" as defined by Section 1.1 of this Act,
15 and aviation fuels, home heating oil and kerosene, but
16 excluding liquified petroleum gases, is subject to tax without
17 regard to whether the fuel is intended to be used for operation
18 of motor vehicles on the public highways and waters. However,
19 no such tax shall be imposed upon the importation or receipt of
20 aviation fuels and kerosene at airports with over 300,000
21 operations per year, for years prior to 1991, and over 170,000
22 operations per year beginning in 1991, located in a city of
23 more than 1,000,000 inhabitants for sale to or use by holders
24 of certificates of public convenience and necessity or foreign
25 air carrier permits, issued by the United States Department of
26 Transportation, and their air carrier affiliates, or upon the
27 importation or receipt of aviation fuels and kerosene at
28 facilities owned or leased by those certificate or permit
29 holders and used in their activities at an airport described
30 above. In addition, no such tax shall be imposed upon the
31 importation or receipt of diesel fuel sold to or used by a rail
32 carrier registered pursuant to Section 18c-7201 of the Illinois
33 Vehicle Code or otherwise recognized by the Illinois Commerce
34 Commission as a rail carrier, to the extent used directly in
35 railroad operations. In addition, no such tax shall be imposed
36 when the sale is made with delivery to a purchaser outside this

1 State or when the sale is made to a person holding a valid
2 license as a receiver. In addition, no tax shall be imposed
3 upon diesel fuel consumed or used in the operation of ships,
4 barges, or vessels, that are used primarily in or for the
5 transportation of property in interstate commerce for hire on
6 rivers bordering on this State, if the diesel fuel is delivered
7 by a licensed receiver to the purchaser's barge, ship, or
8 vessel while it is afloat upon that bordering river. A specific
9 notation thereof shall be made on the invoices or sales slips
10 covering each sale.

11 (Source: P.A. 92-232, eff. 8-2-01.)

12 (35 ILCS 505/13a) (from Ch. 120, par. 429a)

13 Sec. 13a. Motor fuel use tax for commercial vehicles.

14 (1) A tax is hereby imposed upon the use of motor fuel upon
15 highways of this State by commercial motor vehicles. The tax
16 shall be comprised of 2 parts. Part (a) shall be at the rate
17 established by Section 2 of this Act, as heretofore or
18 hereafter amended. Part (b) shall be at the rate established by
19 subsection (2) of this Section as now or hereafter amended.

20 (2) A rate shall be established by the Department as of
21 January 1 of each year using the average "selling price", as
22 defined in the Retailers' Occupation Tax Act, per gallon of
23 motor fuel sold in this State during the previous 12 months and
24 multiplying it by 6 1/4% to determine the cents per gallon
25 rate. For the period beginning on July 1, 2000 and through
26 December 31, 2000, the Department shall establish a rate using
27 the average "selling price", as defined in the Retailers'
28 Occupation Tax Act, per gallon of motor fuel sold in this State
29 during calendar year 1999 and multiplying it by 1.25% to
30 determine the cents per gallon rate.

31 (3) No tax is imposed under this Section for the 30-day
32 period beginning on the 7th day after the effective date of
33 this amendatory Act of the 94th General Assembly.

34 (Source: P.A. 91-872, eff. 7-1-00.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.